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October 19, 2004

VIA UPS OVERNIGHT MAIL

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 34600, Progressive Rail, Incorporated, Lease and Operation
Exemption - Rail Lines of Wisconsin Central, Ltd. in Barron County, WI

Dear Mr. Williams:

Enclosed please find an original and 10 copies of Verified Notice of Exemption Under 49
C.F.R. § 1150.41, for filing with the Board in the above referenced matter.

Also enclosed is a \$1,400 check for the filing fee.

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicant

TFM/de

Cc: Michael Barron, Esq.
Mack Shumate, Esq.
Mr. Tim Eklund

FILED

OCT 20 2004

U.S. DEPARTMENT OF TRANSPORTATION

BEFORE THE
SURFACE TRANSPORTATION BOARD



PROGRESSIVE RAIL, INCORPORATED --)
LEASE AND OPERATION EXEMPTION --)
RAIL LINES OF WISCONSIN CENTRAL, LTD.)
IN BARRON COUNTY, WI)

FINANCE DOCKET
NO. 34600

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41

PROGRESSIVE RAIL, INCORPORATED
21778 Highview Avenue
Lakeville, MN 55044

Applicant

THOMAS F. MCFARLAND
THOMAS F. MCFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204

Attorney for Applicant

DATE FILED: October 20, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD



PROGRESSIVE RAIL, INCORPORATED --)
LEASE AND OPERATION EXEMPTION --) FINANCE DOCKET
RAIL LINES OF WISCONSIN CENTRAL, LTD.) NO. 34600
IN BARRON COUNTY WI)

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, *et. seq.*, PROGRESSIVE RAIL, INCORPORATED (PGR), a Class III rail carrier, provides notice of exemption from 49 U.S.C. § 10902 for its lease from Wisconsin Central, Ltd. (WCL) and operation of (a) the Almena-Cameron Branch that extends between Milepost 80.88 at or near Almena and Milepost 97.80 at or near Cameron, a distance of 16.92 miles in Barron County, WI; and (b) the Rice Lake-Cameron Branch that extends between Milepost 49.0 at or near Cameron and Milepost 56.05 at or near Rice Lake, a distance of 7.05 miles in Barron County, WI. The rail lines to be leased from WCL and operated, totaling 23.97 miles, are shown on a map that is attached to this Notice as Appendix 1.^{1/}

^{1/} In Finance Docket No. 34957 Progressive Rail, Incorporated – Lease and Operation Exemption – Rail Line of Union Pacific Railroad Company in Barron and Chippewa Counties, WI, notice of exemption filed October 5, 2004, PGR has leased a 38.3 – mile rail line owned by Union Pacific Railroad Company (UP) between Cameron and Norma, WI. A notice of exemption to lease and operate the subject WCL rail line was filed by Wisconsin Northern Railroad Company, LLC on October 5, 2004, in Finance Docket No. 34596, Wisconsin Northern Railroad Company LLC, -- Lease and Operation Exemption – Rail Lines of Wisconsin Central, Ltd. In Barron County, WI, but has been voluntarily withdrawn.

INFORMATION REQUIRED BY 49 C.F.R. § 1150.43

In accordance with 49 C.F.R. § 1150.43, PGR submits the following in support of this Notice of Exemption.

(a) *The full name and address of the Class III rail carrier applicant;*

The full name and address of applicant is Progressive Rail Incorporated, 21778 Highview Road, Lakeville, MN 55044.

(b) *the name, address, and telephone number of the representative of the applicant who should receive correspondence;*

Applicant's representative to receive correspondence is Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, (312) 236-0204.

(c) *A statement that an agreement has been reached on details about when an agreement will be reached;*

Agreement has been reached between PGR and WCL for lease and operation of the involved rail lines.

(d) *The operator of the property;*

PGR will operate the involved rail lines.

(e) *A brief summary of the proposed transaction, including:*

(1) *The name and address of the railroad transferring the subject property to the Class III rail carrier applicant;*

The lessor of the involved rail line is:

Wisconsin Central, Ltd.
17641 South Ashland Avenue
Homewood, IL 60430

- (2) *The proposed time schedule for consummation of the transaction:*

The proposed lease and operation will be consummated no sooner than seven days after the filing of this Notice of Exemption.

- (3) *The milepost of the subject property, including any branch lines;*

WCL's Almena-Cameron Branch that extends between Milepost 80.88 at or near Almena and Milepost 97.80 at or near Cameron, a distance of 16.92 miles in Barron County, WI; and WCL's Rice Lake-Cameron Branch that extends between Milepost 49.0 at or near Cameron and Milepost 56.05 at or near Rice Lake, a distance of 7.05 miles in Barron County, WI.

- (4) *The total route miles being operated;*

There are a total of 23.97 route miles.

- (f) *A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and states;*

Map is attached as Appendix 1.

- (g) *A certificate that applicant's projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under §1150.45*

PGR so certifies. *See* verification attached as Appendix 2.

VERIFICATION

See Appendix 2.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

The proposed transaction does not require environment or historic reporting or assessment. *See* 49 C.F.R. § 1105.6(c)(2)(i) and 49 C.S.R. § 1105.8(b)(1).

LABOR PROTECTION

Pursuant to 49 U.S.C. § 10902(d), labor protection requirements do not apply to the proposed transaction.

CAPTION SUMMARY

The caption summary required by 49 C.F.R. § 1150.44 is attached hereto as Appendix 3.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, within 30 days of the filing of this notice, the Director of the Office of Proceedings should publish a notice in the Federal Register of the filing of this Notice. *See* 49 C.F.R. § 1150.42(b).

Respectfully submitted,

PROGRESSIVE RAIL,
INCORPORATED
21778 Highview Avenue
Lakeville, MN 55044

Applicant

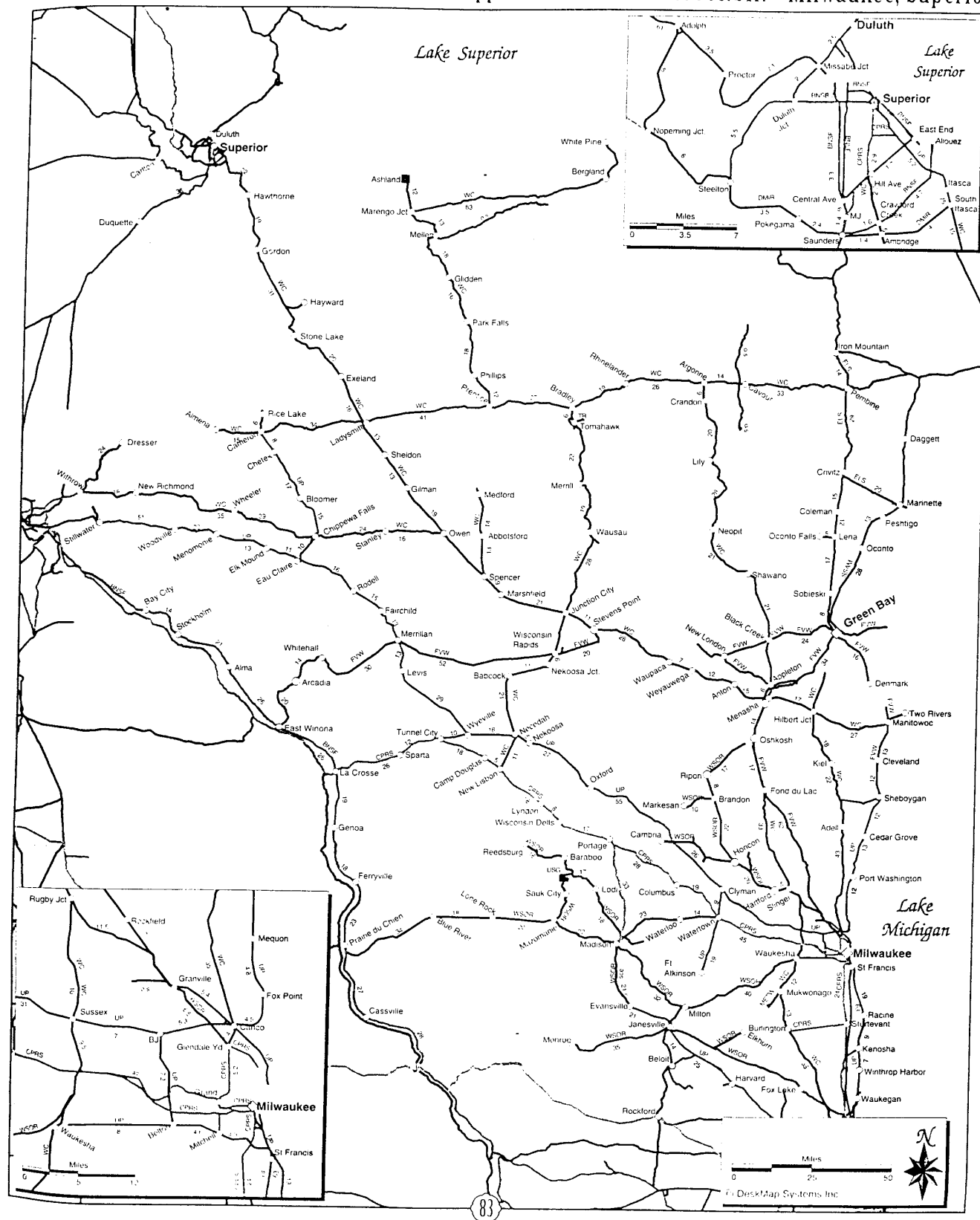
Thomas F. McFarland

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60404-1112
(312) 236-0204

Attorney for Applicant

Date Filed: October 20, 2004

WISCONSIN • Milwaukee, Superior



VERIFICATION

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

THOMAS F. McFARLAND, being duly sworn on oath, deposes and states that he has read the foregoing notice, that he knows the contents thereof, and that the facts therein stated are true and correct. Thomas F. McFarland certifies that the projected revenues as a result of the proposed lease and operation will not result in the creation of a Class II or Class I rail carrier.



Thomas F. McFarland

THOMAS F. McFARLAND

SUBSCRIBED AND SWORN to
before me on this 19th day of
October, 2004.

Kathleen Lenihan
Notary Public

Notice of Exemption

STB Finance Docket No. 34600
Progressive Rail, Incorporated - -
Lease and Operation Exemption - - Rail Lines of
Wisconsin Central, Ltd. In Barron County, WI

Progressive Rail Incorporated, a Class II rail carrier, has filed a notice of exemption for its lease from Wisconsin Central, Ltd. (WCL) and operation of (a) the Almena-Cameron Branch that extends between Milepost 80.88 at or near Almena and Milepost 97.80 at or near Cameron, a distance of 16.92 miles in Barron County, WI; and (b) the Rice Lake-Cameron Branch that extends between Milepost 49.0 at or near Cameron and Milepost 56.05 at or near Rice Lake, a distance of 7.05 miles in Barron County, WI.

The above rail lines to be leased and operated total 23.97 miles.

Comments must be filed with the Board and served on WNRC's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, 312-236-0204.

This notice is filed under 49 USC § 11450.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

By the Board
Vernon A. Williams, Secretary